

Before the
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1998 Biennial Review --)
Streamlined Contributor Reporting)
Requirements Associated with)
Administration of Telecommunications)
Relay Services, North American)
Numbering Plan, Local Number)
Portability, and Universal Service)
Support Mechanisms)

CC Docket No. 98-171

COMMENTS OF AT&T CORP.

Pursuant to the Commission's Notice of Proposed Rulemaking and Notice of Inquiry, FCC 98-233, released September 25, 1998 ("NPRM"), AT&T Corp. ("AT&T") submits these comments on the Commission's proposal to simplify the filing and reporting requirements associated with the Telecommunications Relay Fund ("TRS"), federal Universal Service Fund ("USF"), as well as cost recovery mechanisms for the North American Numbering Plan ("NANP") and long-term Local Number Portability ("LNP").

In general, AT&T supports the Commission's proposal to: (1) adopt a uniform schedule and location for filing contribution data; (2) encourage electronic filing of worksheets; (3) harmonize procedures for future changes to the proposed Telecommunications Reporting Worksheet; (4) authorize administrators to share contributor data in certain circumstances; (5) alter the revenue basis for assessing contributions to the TRS and NANP (so that like the USF and

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LNP, the assessments for these funds will be based on end user telecommunications revenues); and (6) modify the minimum contribution amounts associated with the TRS and NANP administration. NPRM, para. 2. AT&T also makes suggestions to ensure that these changes are implemented in a fair and efficient manner and to streamline the data required to be reported on the proposed Worksheet.

I. THE COMMISSION SHOULD ADOPT ITS PROPOSAL FOR CARRIERS TO REPORT THEIR REVENUE DATA FOR TRS, USF, NANP AND LNP CONTRIBUTIONS ON A CONSOLIDATED TELECOMMUNICATIONS REPORTING WORKSHEET.

AT&T agrees with the Commission that a unified Telecommunications Reporting Worksheet would tend to reduce the regulatory and administrative burden on reporting carriers and providers of telecommunications services, as well as the Commission. NPRM, para. 1. The Commission's proposal would allow carriers to comply with their annual reporting obligations for TRS, USF, NANP and LNP on April 1 of each year on a single Worksheet rather than filing disparate forms, on different dates (although a separate semi-annual September 1 filing would be required of USF contributors). Consolidating the various reporting requirements onto a unified Worksheet and also allowing toll carriers to report on the Worksheet data pertaining to annual operating revenues and value of

total communications plant,¹ designating an agent for the service of process in the District of Columbia,² and requesting confidential treatment of data (other than as required by Section 43.21(c)) by checking a box on the Worksheet³ would likewise further efficiency and reduce carrier burdens.

Conforming the TRS and NANP contribution mechanisms to an assessment based on end user telecommunications revenues, the method used for USF and LNP assessments, will also enhance the ability of the Commission and the four fund administrators to ensure fair and complete contributions from telecommunications service providers. NPRM, paras. 15-17. For this reason, AT&T has no objection to the proposed change with one major caveat.

Because the proposed change in assessment methodology will reduce local exchange carriers' ("LECs'") direct payment obligations into the TRS and NANP funds (by eliminating LEC access revenues from the LEC assessment), the Commission must ensure that these reductions are reflected in appropriate exogenous adjustments to the LECs' price cap

¹ Toll carriers with operating revenues for a calendar year exceeding an indexed revenue threshold are required to file this report pursuant to Section 43.21(c) of the Commission's rules. NPRM, para. 14.

² Designation of an agent for service or process is required by Section 1.47(h) of the Commission's rules. NPRM, para. 22.

³ NPRM, para. 58.

baskets and in the rates of LECs subject to rate-of-return regulation.⁴ Otherwise, LECs would continue to recover their higher prior assessments through access charges assessed on interexchange carriers, despite the fact that their direct contribution amounts would have been significantly reduced.

AT&T also supports electronic filing of the consolidated Worksheet. NPRM, paras. 59-60. AT&T suggests that the Commission make available the electronic version of the new Worksheet in Excel or LOTUS format so that numbers can be sourced internally and calculations may be made on the form itself. This capability will also permit the various fund administrators to verify the data more easily.

II. THE COMMISSION SHOULD FURTHER MODIFY OR CLARIFY CERTAIN ASPECTS OF THE WORKSHEET AND FUND ADMINISTRATION.

The Commission should recognize that the changes described above, although welcome, will only minimally impact the burden on carriers of preparing the Worksheet. The

⁴ Currently, TRS contributions are based on carriers' gross revenues, which has the effect of including LEC access revenues in the LECs' TRS contribution base. NPRM, para. 10. Similarly, NANP contributions are based on gross telecommunications revenues net of payments for telecommunications services and facilities paid to other carriers. NPRM, para. 27, 47 C.F.R. 52.17. Thus, LEC access revenues are currently included in the LECs' NANP contribution base. The Commission proposes to change TRS and NANP assessments so that, like USF and LNP, they will be based on the contributor's end user telecommunications revenues, including subscriber line charges ("SLCs"). NPRM, para. 32. The effect of this change will be to eliminate the LECs' carrier access revenues from the contribution base for the LECs' TRS and NANP assessments.

fundamental characteristic of the Worksheet that imposes unwarranted burdens on reporting entities is that the Commission requires carriers to report far more financial data on page 2 of the proposed Worksheet than is necessary to determine their contribution amounts for the TRS, USF, NANP, and LNP support programs. The elimination of extraneous data on the Telecommunication Reporting Worksheet would significantly enhance the Commission's objective of streamlining carrier reporting requirements and reducing burdens on reporting entities.

Accordingly, the Commission should eliminate all financial data reporting requirements on the Worksheet other than those that are required to compute carrier contribution amounts. The only data necessary for FCC calculation of TRS, USF, NANP and LNP support is that reported on Line 230 (= the sum of lines 215-223, 225-229), which represents total end user telecommunications revenues other than international revenues associated with calls that both originate and terminate in a foreign country (line 224). For verification purposes, the FCC may wish to obtain the carrier's total revenues for telecommunications services provided to resellers, which represents the sum of the information on lines 203-214 of the proposed Worksheet. To ensure that carriers properly compute the two lines of data described above, the Worksheet could continue to list the types of revenues that would be required for the computation of end user and wholesale revenues, respectively.

Finally, the Commission should correct minor errors/inconsistencies on the proposed Worksheet and Instructions. For example, there are inconsistent references as to whether the September 1 USF filing is based on revenue data for the period January 1 to June 30, 1999, or January 1 to July 31, 1999.⁵ Currently, carriers' September 1 USF Worksheet submission is based on January 1 to June 30 revenue data, and the Commission should clarify that period remains unchanged. It would not be possible for carriers to identify revenues for the period ending July 31, just 32 days before the September 1 filing date.

⁵ Line 202 of the proposed Worksheet lists the period January 1 to July 31, as does the paragraph under "C. Block 3: Contributor Revenue Information" of the Instructions. However, the next paragraph of the Instructions, i.e., the paragraph under "1. Column (a) - total revenue" states that "if the Worksheet is due by September 1 . . . , contributors should submit revenues billed during the calendar period January 1 through June 30. . . ."

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CONCLUSION

For the reasons stated above, the Commission should adopt its proposals to streamline reporting requirements for telecommunications carriers, and, in furtherance of that objective, it should also significantly reduce the amount of revenue detail that is required to be filed on the Telecommunications Reporting Worksheet.

Respectfully submitted,

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